

**BEFORE THE TENNESSEE REGULATORY AUTHORITY AT
NASHVILLE, TENNESSEE**

June 22, 2005

IN RE:

**PETITION OF STARTEC GLOBAL LICENSING
COMPANY AND TELIGENT SERVICES, INC.
FOR APPROVAL TO TRANSFER TENNESSEE
CUSTOMER ASSETS AND TO CANCEL
TELIGENT'S TENNESSEE CERTIFICATE**

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**DOCKET NO.
04-00409**

**ORDER APPROVING TRANSFER
OF AUTHORITY AND RELATED TRANSACTIONS**

This matter came before Chairman Pat Miller, Director Sara Kyle and Director Ron Jones of the Tennessee Regulatory Authority (the "Authority" or "TRA"), the voting panel assigned to this Docket, at a regularly scheduled Authority Conference held on December 13, 2004 for consideration of the *Petition* filed jointly by Startec Global Licensing Company ("Startec") and Teligent Services, Inc. ("Teligent") (Startec and Teligent together, "Petitioners"). The Petitioners sought TRA approval, pursuant to the provisions of Tenn. Code Ann. § 65-4-112 (2004) and the rules of the TRA, for the proposed transfer from Teligent to Startec of Teligent's Tennessee commercial long distance customer base and associated customer account information. Teligent further asked the Authority to approve the surrender of Teligent's certificate of convenience and necessity ("CCN") to provide telecommunications services in Tennessee, following consummation of the proposed transfer.

Statutory and Regulatory Framework

Tenn. Code Ann. § 65-4-112 (2004) requires that public utilities obtain TRA approval before merging or consolidating property, rights or franchises with utilities of like character holding CCNs in the State of Tennessee. Tenn. Code Ann § 65-4-112 (a) (2004) provides:

No lease of its property, rights, or franchises, by any such public utility, and no merger or consolidation of its property, rights and franchises by any such public

utility with the property, rights, and franchises of any other such public utility of like character shall be valid until approved by the [A]uthority, even though power to take such action has been conferred on such public utility by the state of Tennessee or by any political subdivision of the state

Additionally, TRA Rule 1220-4-2-.56(2)(d) sets forth the requirements applicable when a customer base is transferred between two or more telecommunications service providers TRA Rule 1220-4-2-.56(2)(d) states.

(d) In the case of a transfer of a customer base between two or more telecommunications service providers, the Authority, upon petition by the acquiring telecommunications service provider, may deem that sufficient notice has been given and approval received from the affected customers when the following criteria are met:

2. A notification letter, pre-approved by the Authority, shall be mailed by U.S. First Class Postage by the telecommunications service provider being acquired to its customers describing the customer transfer and explaining that the customer's local or long distance service will be transferred to the acquiring telecommunications service provider by a certain date unless the customer selects another telecommunications service provider. This customer notification shall be mailed to the customers no less than thirty (30) days prior to the actual customer transfer. The notification required by the FCC may be used for the notification purposes of this part. The Authority may waive the thirty (30) day notice requirement of this part for good cause shown.

Subsections 3 and 4 of the Rule specify additional information that must be included in the notification letters:

3. The acquiring telecommunications service provider agrees to pay any fees charged to the customer associated with changing service to the acquiring telecommunications service provider. The notification letter required in 1220-4-2-.56(2)(d)(2) shall inform the customer of this provision.
4. The acquiring telecommunications service provider agrees to provide to the affected customers a thirty (30) day written notice of any rate increase that may affect their service up to ninety (90) days from the date of the transfer of customers. The notification letter required in 1220-4-2-.56(2)(d)(2) shall inform the customer of this provision.

Background

As memorialized in the January 25, 2000 order in TRA Docket No. 99-00462, Teligent is authorized to provide local exchange and intrastate interexchange telecommunications services in the

State of Tennessee.¹ Startec is authorized to resell interexchange long distance telecommunications services in Tennessee, as set forth in the order dated December 1, 2004 in TRA Docket No. 04-00282.

The Petition

In the *Petition*, which was filed with the TRA on November 30, 2004, the Petitioners jointly sought TRA approval of the proposed transfer of Teligent's long distance customer base, including associated customer account information, to Startec. The Petitioners represented that Teligent served only fifty customers in Tennessee and had no other assets in the State. Teligent provided no competitive local exchange services to Tennessee consumers, though authorized to do so. Following the transfer, Teligent would cease providing telecommunications services to any customers in Tennessee and would surrender and cancel its Tennessee CCN. Startec would continue operating under its own CCN. It would provide services to Teligent's former customers under the same rates and terms of service that Teligent provided and would amend its Tennessee tariff, as necessary, to include Teligent's applicable rates and charges.

The Petitioners asserted that they already had provided Tennessee customers not less than thirty days prior written notice of the transfer. The Petitioners attached the customer notification letter as Exhibit 1 to the *Petition*. According to the Petitioners, the letter satisfied the requirements of the Federal Communications Commission governing carrier-to-carrier base transfers. The letter did not fully satisfy TRA Rule 1220-4-2-.56(2)(d) governing customer notification letters,² and the Petitioners sought waiver of that and other TRA rules, as necessary.

According to the *Petition*, the proposed transaction would be seamless to the customers of Teligent. The Petitioners further affirmed that the transfer would serve the public interest by enhancing competitive choices for Tennessee consumers. The transfer would accelerate Startec's

¹ In Docket No. 99-00462, Teligent acquired the CCN formerly held by its parent company, Teligent, Inc. Teligent, Inc. obtained the CCN in TRA Docket No. 98-00210, as memorialized in the order dated October 20, 1998.

² For example, it had not been pre-approved by the TRA and lacked specificity regarding the actual transfer date.

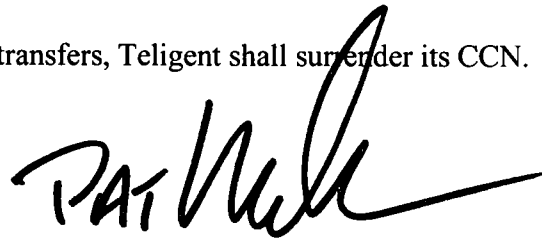
ability to provide innovative and diversified services and to expand its operations in a cost-effective manner. This would strengthen Startec's competitive position, thus promoting further competition and innovation among Tennessee providers

December 13, 2004 Authority Conference

At the December 13, 2004 Authority Conference, the Directors voted unanimously to approve the *Petition* pursuant to a finding of compliance with the requirements of Tenn. Code Ann. § 65-4-112 (2004) and the rules of the TRA. The Directors waived the requirement that the TRA pre-approve customer notification letters, and they found the Petitioners' letter sufficient to meet the TRA's rules. The Directors also authorized the cancellation of Teligent's CCN immediately following the customer transfer.

IT IS THEREFORE ORDERED THAT:

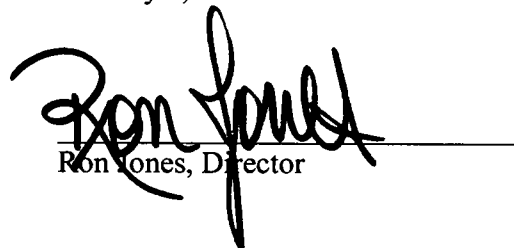
- 1 The transfer of customer base from Teligent to Startec as described in the *Petition* and herein is approved.
2. The requirements of Tenn. Comp. R. & Regs. 1220-4-2-.56(2)(d) are waived and the customer notification letter is approved.
3. Upon completion of the customer transfers, Teligent shall surrender its CCN.



Pat Miller, Chairman



Sara Kyle, Director



Ron Jones, Director